(c) what is the demand/proposal from Government of Karnataka to take up infrastructural development programme for North Karnataka?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) State Government has not submitted any proposal seeking Central Assistance for implementing the D.M. Nanjundappa Committee recommendations or for taking up specific infrastructure development programme in North Karnataka. However, the State Government requested Planning Commission to meet half the expenditure recommended for Northern Karnataka in the meeting held on 19.1.2005 for financing Annual Plan of the State for 2005-06.

Investment in retail section

3439. SHRI ABANI ROY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that various PSUs had reserved a substantial quantity of shares in retail investors investing upto Rs. 50,000 last year;

(b) whether this practice is not being followed by private sectors; and

(c) if so, what steps are being taken by SEBI to ensure that small investors in retail section investing upto Rs. 50,000 are allotted a substantial quantity of shares in private sectors also?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) All the PSUs which came with public issues through book building, during the last financial year *i.e.* 2004-05, had reserved at least 25% shares for retail investors in terms of the SEBI (DIP) Guidelines.

(b) SEBI(DIP) Guidelines are applicable to public issues by all companies (Except voluntary offer for sale by listed companies). Thus all companies, whether in private sector or public sector, are required to reserve at least 25% of net offer to public for Retail Individual Investors in Book Built issues and at least 50% for Retail Individual Investors in fixed price issues.

(c) SEBI has increased reservation for Retail Individual Investor from the existing 25% to 35%. SEBI has also redefined the Retail Individual Investor as the one who can apply up to Rs. 1,00,000/- as against the previous limit of Rs. 50,000/-. These amendments to SEBI(DIP) Guidelines have been brought vide circular dated March 29, 2005 and are applicable to book built public issues of any company whether, it is in private sector or public sector.